

**BOARD OF FINANCE
TOWN OF EAST WINDSOR
11 RYE STREET
EAST WINDSOR, CONNECTICUT 06088**

MINUTES OF REGULAR MEETING

Wednesday, December 19, 2012 at 7:30 p.m.

These minutes are not official until approved at a subsequent meeting.

Members Present:	Jason Bowsza, Joseph Pellegrini, Danelle E. Godeck, Kathleen Pippin, Jerilyn Corso, and Sharon Tripp
Members Absent:	None
Alternates Present:	Paulette Broder and Gilbert Hayes
Alternate Absent:	None
Others:	Catherine Cabral, Richard Pippin, Alan Baker, Denise Menard, William Schultz, Cathy Simonelli, William Raber and others
Press:	None

I. Call to Order

Chairman Jason Bowsza called the Regular Meeting to Order at 7:32 p.m., in the East Windsor Town Hall.

Mr. Bowsza requested everyone at the meeting for a moment of silence for the citizens of Newtown, Connecticut and for those who passed away and those who survived the tragedy of the past week.

Mr. Bowsza welcomed the new alternate member of the Board, Mr. Gilbert Hayes.

II. Appointment of Alternates

Chairman Jason Bowsza indicated that all regular members of the Board are present.

III. Added Agenda Items

It was **MOVED** (Pellegrini) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance adopts the Agenda as presented.

It was **MOVED** (Pellegrini) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance moves Agenda Items No. XI. New Business b. 2013-2014 Budget Guidelines Letter to be discussed before IV. Approval of Minutes.

IX. New Business**b. 2013-2014 Budget Guidelines Letter**

Mr. Bowsza invited members of the Board of Selectmen and members of the Board of Education to the meeting table. He explained that in the past the Board of Finance, Board of Selectmen and Board of Education discussed the budget cycle and trying to keep each Board on the same page during the budget cycle. He reminded everyone at the table that this year will be extremely difficult due to the economy and the State of Connecticut's own budget problems. He went around the table and asked those who were in attendance what their goals are for the next budget cycle. He began with Ms. Denise Menard, First Selectman. Ms. Menard indicated that the town side of the budget is at bare bones presently and may mean eliminating services. The town can not continue in getting less and less each budget year. She cautioned everyone at the table that insurance rates are increasing for all types of insurance coverage for the town, workers' compensation, liability, automobile, property and health insurance. She also reminded everyone that this year is a revaluation year and property values have decreased in a many cases. The general public many not understand that if the property value decreases the mill rate increases to sustain the tax base. They may think because the property value decreased, their taxes will also decrease. During this budget cycle, mill rates can not be compared due to the revaluation. It will be a tough year. In the past, the town side has come in at a zero percent increase. Last year the town requested 2% and the Board of Education requested 7%, the Board of Education did receive a percentage increase but the town side did not. This division cannot continue.

Selectman Alan Baker commented that last year the Board of Selectmen went line by line through each department's proposed budget to try to find ways of cutting the budget. Services in the town are being starved. He gave an example of a recent request from the Warehouse Point Library. His concern is that if the departments are continually getting cuts in their budget, services and/or positions may have to be eliminated.

Selectman Richard Pippin remarked that he would be interested in seeing what the Federal Government and State Government will be funding and not funding. His concern is also unfunded mandates. He also indicated that the town side cannot continue to receive a zero increase. He mentioned Public Works and their equipment which is falling apart and needs to be replaced and the roads which need improving. Mr. Baker added the Public Works gave a presentation to the Board of Selectmen recently regarding the roads in the town, and it was suggested by a consultant that \$1.2 million dollars should be spent on the upkeep of the roads; however, the town last

year only received \$297,000. Overall the conditions of the roads are bad and they are getting worse.

Ms. Paulette Broder, Alternate Member of the Board of Finance, commented it is very difficult and the town can not sustain if it continues to cut and not receive any increases. Ms. Kathleen Pippin, Board Member of the Board of Finance, agreed with Ms. Broder indicating the town can not sustain with no increase. She has listened to presentations by Mr. Norton of Public Works regarding the safety problems at the town garage due to not having updated tools and the trucks which are in disrepair.

Ms. Danelle Godeck, Board Member of the Board of Finance, she indicated that since she has been sitting on the Board of Finance, every year it becomes more difficult. Expenses on everything have increased. The town is similar to a business, it needs money to function. It is not possible for the town to sustain services and/or jobs with a zero percent increase. The Board of Finance, as well as the Board of Selectmen, goes line by line through each department budget to see where cuts can be made. She suggested maybe towns should be sharing services. Federal and State Grants are available and wealthy towns are being awarded those funds because they have grant writers.

Ms. Sharon Tripp, Board Member of the Board of Finance, suggested educating the public during the budget process and maybe passing the budget. All of the Boards and departments must work together.

Mr. Joseph Pellegrini, Board Secretary of the Board of Finance, commented that the hard truth of the matter is that the town cannot grow without an increase to the budget and with the increasing costs of expenses; services and/or employees will have to be eliminated. Year in and year out, the same people come to the public hearings and vote no. Public education and flyers are not going to help the cause. The referendums barely pass under the 2% and he doesn't foresee any changes. Tough decisions are going to have to be made.

Ms. Jerilyn Corso, Board Member of the Board of Finance, she voiced her concerns about the State of Connecticut and the special session which took place on Wednesday. The State of Connecticut is in so much debt and everyone is worried about all the cuts. She has the same problem at her job with budgets and no increases. The situation is not a pretty one. She also suggested Shared Services. However, Ms. Menard indicated Shared Services within the Town have not been working.

Mr. Gilbert Hayes, Alternate Member of the Board of Finance, remarked cutting services but not cutting jobs. Mr. Hayes also suggested obtaining more government grants and attracting more businesses to the Town. He

also had a concern about how long it takes for businesses to obtain the proper permits and how that should be cleaned up which would attract more businesses. He suggested power saving as Scout Hall did with solar panels and obtaining grants to do some of those projects. Mr. Baker commented that he has been working on an energy savings plans for the town has looked into obtaining grants for solar panels and other things. Ms. Menard added that the town must invest in projects so the town will be able to eventually save money in the future.

Ms. Cathy Cabral, Treasurer, addressed the meeting. She agrees with Ms. Menard that positions and services will have to be eliminated in order to stay under the 2% budget increase. This will never change until the Charter is revised. The departments have done everything in an effort to save money, combining positions and cutting unnecessary expenses.

Mr. William Raber, Board Member of the Board of Education, commented that the residents of the town are concerned about the taxes, community, and good schools. Unfortunately, property taxes fund schools and the taxpayers do not want a raise in taxes. He agrees with Mr. Pellegrini in that the town is going to have to live with the 2% increase. He also agrees that educating the public is not going to change their voting ways. Teacher contracts have been negotiated and a 1.5% raise and a step increase have been agreed upon. This is a contractual obligation. He also mentioned the state mandates for special education which is every expensive. The town is obligated to educate special needs children. Currently the district has a new administrative team including superintendent, principals and vice-principals who are trying to put budgets together in good faith.

Ms. Cathy Simonelli, Board Member of Board of Education, commented that she also agrees with Mr. Pellegrini that the most the town will be getting for an increase is 2%. With the contractual obligations and rising costs of expenses such as insurance, it will be a very difficult year. The school has taken a beating over the years by decreasing the number of staff members. Presently, the high school only has three math teachers on staff.

Mark, a representative from Management Solutions (consultants for the Board of Education) addressed the Boards. His concern is that a 2% increase may not cover the contractual obligations and in doing so, student services may have to be eliminated.

Mr. William Schultz, Board Member of Board of Education, remarked that he also agrees with Mr. Pellegrini. Contractual obligations every year pose a problem. The town should be looking at shared services with surrounding towns. It has been talked about but nothing has been done. He understands everyone is busy and after the budget cycle, nothing is done. The

possibility of regionalizing with other towns such as Windsor Locks or Ellington could possibly save the money.

A lengthy discussion was held regarding regionalizing services – all town services including education.

Mr. Bowsza commented on the happenings at the State Capitol. He indicated that it looks as though the next budget cycle, the State may cut funding to municipalities up to 5%. He explained how that would affect the town's budget and revenues.

The discussion continued regarding the wording of the budget guideline letter to all departments. It was suggested that departments start their budgets as a zero based budget and all expenses would have to be justified and explained. Mr. Pellegrini asked the members of the Board of Education to give to the Board of Finance a complete budget and not a power point presentation as they did last year. The Board would like to see the Board of Education budget line by line. He understands that last year there was new management in place; however, looking at the budget line by line gives the Board of Finance more information on how the Board of Education spends their funds. Mr. Bowsza suggested setting perimeters and requests a zero percent base budget as a starting point.

A lengthy discussion was held regarding what services would be cut and the possibility of trash was discussed.

Ms. Danelle E. Godeck left the meeting at 8:37 p.m.

Mr. Bowsza indicated he would draft a letter and it will be sent to all Board Members for their input and/or approval before being sent out to all departments.

Board Recessed at 8:39 p.m.

Board Reconvened at 8:50 p.m.

It was **MOVED** (Tripp) and **SECONDED** (Corso) and **PASSED** (U) that the Board of Finance moves to return to the Agenda Order IV. Approval of Minutes.

Chairman Jason Bowsza indicated that Ms. Danelle E. Godeck has left the meeting and a motion would be in order appointing an alternate a voting member.

It was **MOVED** (Pellegrini) and **SECONDED** (Pippin) and **PASSED** (U) that Ms. Paulette Broder be appointed as voting member in place of Regular Member, Ms. Danelle E. Godeck.

IV. Approval of Minutes**Regular Meeting of November 21, 2012**

An error was noted in the November 21, 2012 Regular Meeting Minutes. An amendment to the minutes in Section VIII. Unfinished Business, Sub-section b. Credit Card Policy, Paragraph 2 was noted. The following is the amendment:

“It was **MOVED** (Pellegrini) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance approves the Town of East Windsor Credit Card Policy and Procedure dated November 21, 2012 and the Town of East Windsor Credit Card Use Policy dated November 21, 2012 as presented.”

to

“It was **MOVED** (Pellegrini) and **SECONDED** (Tripp) and **PASSED** (U) that the Board of Finance approves the Town of East Windsor Credit Card Policy and Procedure dated November 21, 2012 and the Town of East Windsor Credit Card Use Policy dated November 21, 2012 as presented and attached hereto marked Exhibit A and B.”

It was **MOVED** (Pellegrini) and **SECONDED** (Corso) and **PASSED** (U) that the Board of Selectmen approves the minutes of November 21, 2012 Regular Meeting, as amended.

IV. Public Participation

None.

V. Communications

Mr. Bowsza indicated that he has received a Christmas card from the Board of Education.

Mr. Bowsza indicated that he has received an email from the auditors indicating that the audit is not complete due to the staff issues. They have apologized and Ms. Menard and Ms. Cabral are aware of the situation. Ms. Cabral commented that the audit will be represented at the next meeting next month. The majority of the audit is complete.

A brief discussion was held.

VI. Monthly Reports**a. Treasurer's Report**

Ms. Catherine Cabral, Treasurer, addressed the Board of Finance. She gave to all the Board Members a memorandum dated December 19, 2012 for their review. Ms. Cabral indicated that as of November 30, 2012, the revenue received was \$263,285. Overall the revenues received for the month of November are at 50.71%. She indicated that the local revenue increased by \$23,690 this month of which \$11,591 is from the Town Clerk fees and \$6,963 is from Building Permit fees. The total general cash position as of November 30, 2012 is \$8,698,516. Webster General Fund cash as of November 30, 2012 is \$1,541,301. Tax Collections net of refunds for the month are \$309,887.

A brief discussion was held and a question regarding the building department revenues and a comparison of this year's revenues vs. years past revenues. It was noted that the Building Department would be requested to do such a comparison.

b. Assessor's Report

Ms. Cabral indicated that in the Board Member's packets is the Assessor's Report dated December 12, 2012. In that report, the Assessor discusses the Motor Vehicle Supplemental (Grand List of October 1, 2011) is to be bill January, 2013. The list was provided from our vendor (Quality Valuation Services) on October 17, 2012. Since that time the Motor Vehicle Committee of the Connecticut Association of Assessing Officers has received 4 updates which affected the processing of this list. The list still has roughly 2,300 accounts. The pricing is complete and we are in the investigation stages (add-ons and checks) with this list in order to avoid potential taxpayer issue. On December 19, 2012, she expects to release the file to the vendor for bill processing.

The Grand List of October 1, 2012, Personal Property processing of filed declarations is 95% complete. The non-filers (approximately 500 accounts) are in review. The filing extension deadline is December 14, 2012 – approximately a dozen accounts have been granted this extension.

The regular motor vehicle list will be acquired from our vendor immediately following our completion of the Motor Vehicle Supplemental.

Due to the issues which are beyond our control and at my request, the First Selectman has allowed for the Grand List filing to be delayed one month. The extension allows Ms. Madore to file the October 1, 2012 Grand List on or before February 28, 2013.

c. Tax Collector's Report

Ms. Cabral gave a copy of the Tax Collector's reports to the Board Members for their review; the reports were entitled "Town of East Windsor Report of Tax Collector Monthly Collectible" and "Cumulative Report of Cash". Ms. Cabral

indicated the Tax Collector has been doing a great job in collection of delinquent taxes which shows in the reports.

A brief discussion was held regarding the reports.

e. 2012-2013 Budget Added Appropriations/ Transfers

None.

VII. Matters referred from the Board of Selectmen

None.

VIII. Unfinished Business

a. EW Housing Authority Payment

Ms. Menard indicated that the Housing Authority has not yet sent the remaining balance of the PILOT payment. It was asked if they are aware of the agreement which dates back to 1989 and they have to pay in a timely fashion. It was suggested that the Board Members attend the next meeting of the Housing Authority which is the third Monday of each month at 4:00 p.m.

b. Annual Town Report for FY 2011-2012 Update

Mr. Pellegrini indicated that all of the information has been forwarded to the printer yesterday and it has been requested that 250 copies be made. Mr. Pellegrini indicated that he enjoyed this project learning about all of the different departments. For those departments which did not submit a report, it was noted "no report submitted". Those departments were WPCA, Warehouse Point Fire District, Broad Brook Library, Veterans Commission and Historical Society.

IX. New Business

a. Board of Finance Regular Meeting Dates

Mr. Bowsza indicated that in the Board Member's packets is a list of proposed dates for the Board of Finance Regular Meetings for 2013. Those meetings are scheduled for the third Wednesday at 7:30 p.m. The meetings will take place at the Town Hall. Mr. Bowsza asked if anyone had any objections or corrections. No response was made.

It was **MOVED** (Broder) and **SECONDED** (Corso) and **PASSED** (U) that the Board of Finance adopts the Board of Finance Regular Meeting Dates for 2013 as presented.

b. 2013-2014 Budget Guideline Letter

Mr. Bowsza indicated the letter will be drafted. It was decided the letter would go out and ask each department to submit their proposed budgets by Friday, January 18, 2013.

c. Update on the Annual Audit

Discussed previously in the Communications section of this meeting.

X. Invoice Authorization

An invoice from the auditors, Grant Thornton dated November 27, 2012 was given to Mr. Bowsza for signature in the amount of \$12,500.

A motion was made by Ms. Tripp and seconded by Ms. Pippin that the Board of Finance approves the invoice of Grant Thornton dated November 27, 2012.

A discussion was held. It was the general consensus that the audit was not completed and therefore, payment would be withheld until the audit was completed. It was also noted that this is a contractual obligation and the payment for the auditors is done in three installments and this was the second installment of the three.

A vote was taken:

In Favor – S. Tripp

Opposed – K. Pippin, J. Pellegrini, J. Corso, and P. Broder

Motion denied.

XI. Adjournment

It was **MOVED** (Broder) and **SECONDED** (Corso) and **PASSED** (U) that the Board of Finance adjourns the December 19, 2012 Regular Meeting at 9:23 p.m.

Respectfully Submitted,

Denise M. Piotrowicz
Recording Secretary

EXHIBIT A

TOWN OF EAST WINDSOR CREDIT CARD USE POLICY

November 21, 2012

Scope of this Policy

This Town-wide Policy relates to the use of any and all credit cards issued by the Town, to its departments, or employees.

Cards are to be issued in conjunction with current contracts and policies. Other Town policies may be stricter than the Policy below; however, to the extent that any agency policy or procedure conflicts with this Policy, the stricter policy shall govern.

Acceptable Uses, Limits and Procedures

Town cards shall be issued solely for official Town business. Town cards shall not be used for personal or private business purchases.

Town cards shall be issued only to individuals who have appropriate purchasing authority as determined by the First Selectman and Town Treasurer. Authorized use of Town cards shall be limited to the person whose name appears on the face of the Town-issued card. Town cards shall not be loaned to or used by other individuals.

Each employee receiving a Town card shall be bound by the limits, policies, and procedures stated in the credit card agreement with the card-issuer and as outlined in the Town of East Windsor Credit Card Policy and Procedure, as they may be amended or revised from time to time. Any and all exceptions to these rules and limits must be approved and documented by the Town Treasurer's and First Selectman's offices.

Liability for Payment

Departments are responsible for all authorized charges made by its employees using Town cards. Each department is responsible for allocating and processing all paperwork related to payment and submission to the Treasurer's Office for payment processing according to the terms of the Town contract with the bank issuing the Town card.

The Town of East Windsor does not accept liability for unauthorized use of Town cards or for purchases made through the fraudulent use of Town card account numbers. The Town does not accept liability for any fraudulent charges where the employee is delinquent in reporting loss or theft of a Town card or otherwise fails to resolve fraudulent credit card charges, as required by this Policy.

Auditing and Documentation

All departments distributing Town cards shall provide a copy of this Policy to each Town employee receiving a Town card, and require the employee to acknowledge receipt of the Policy by signing.

EXHIBIT A CONTINUED

Page 2 of 3 Town of East Windsor Credit Card Use Policy

Departments and individual departments are responsible for maintaining adequate documentation supporting all Town card purchases. Agencies shall retain such documentation in accordance with State Librarians record retention policies. Documentation shall support the business purpose of all transactions made with Town cards, and shall include the following items:

- Copy of this policy, signed by each Town cardholder
- Copies of purchase forms, when available
- Packing slips (for goods received)
- Original cashier receipts or vendor invoices
- User logs, when available

Departments shall be responsible for periodically auditing their records to ensure that Town credit cards are used only by authorized users for official Town business.

Security

Each employees receiving a Town credit card is responsible for safeguarding the cards at all times, including protecting the account numbers of Town credit cards. The cardholder employee must report a lost or stolen card, both to the employee's department and to the credit card company issuing the Town credit card, within 24 hours after discovery of the loss or theft. The cardholder employee is also responsible for resolving any fraudulent charges with the credit card company issuing the Town credit card.

All Town cards shall be returned to the Treasurer's office immediately upon request or upon separation of employment (including retirement).

Violations of this Policy may result in discipline.

Intentional misuse or fraudulent abuse of Town credit card may result in disciplinary action, up to and including dismissal, referral to the Town Ethics Commission, and/or criminal sanctions.

EXHIBIT A CONTINUED

Page 3 of 3 Town of East Windsor Credit Card Use Policy

In addition to disciplinary action, and possible ethical and criminal sanctions for misuse, individual Town card holders are responsible for repayment of improper charges, and shall have personal liability for misuse of the card.

Employee issued a Town Credit Card must sign and date below.

Employee Name (Please Print) and Signature

Date
Approved By:

First Selectman and Town Treasurer(Please Print) and Signature

Date

EXHIBIT B

Town of East Windsor Credit Card Policy and Procedure November 21, 2012

Credit cards will be issued to the following positions:

Treasurer

First Selectman

Staff Person designated by the First selectman and Town Treasurer up to and not more than one per department

The purpose of the credit and/or purchasing card is to give departments the ability to purchase items where they would not be able to due to a credit requirement. The credit card issued is not for travel reimbursement.

Frequent recurring expenditures such as office supplies, building materials and large store purchases, which are not being procured but through a contracted purchasing agreement or the normal procurement procedures, must have purchasing agreements in place in order to ensure that the Town is obtaining these purchases as economically as possible. A Town credit card shall not be used for such recurring purchases.

All credit and or purchase card users must sign the Town of East Windsor Credit Card Use Policy prior to issuance.

Any use of the Town of East Windsor credit card for other than Town use is prohibited.

All spending over \$200.00 must be approved by the First Selectman and/or Town Treasurer **prior** to purchase and be accompanied by a purchase order in compliance with the Purchase Order policy.

To obtain pre-approval for a purchase over \$200.00, the cardholder must submit a request to the First Selectman and Town Treasurer. The request must be in writing with the account number, purchase order with detail of the items to be purchased, their purpose, the approximate amount and the reason they must be purchased by credit card before any purchase is made. These requests will be reviewed on a case-by-case basis.

Large purchases may be made after the approvals. All original receipts must be remitted and approved with proper documentation to the Treasurer's office as soon as purchase is made or within 5 days from the date of purchase.

Accordingly, all receipts and paperwork must be received in the Treasurer's office well in advance of payment due date in order to process the payment prior to the due date.

Violations of this Policy may result in discipline.

Intentional misuse or fraudulent abuse of Town credit card may result in disciplinary action, up to and including dismissal, referral to the Town Ethics Commission, and/or criminal sanctions.

EXHIBIT B CONTINUED

Page 2 of 2 Town of East Windsor Credit Card Policy and Procedure

In addition to disciplinary action, and possible ethical and criminal sanctions for misuse, individual Town card holders are responsible for repayment of improper charges, and shall have personal liability for misuse of the card.

The above Policy is a subject to review. At the end of six months from the date noted above, this Policy is considered revoked if not approved by the Board of Finance.